

GAO

Report to the Chairman, Subcommittee
on Surface Transportation, Committee
on Transportation and Infrastructure,
House of Representatives

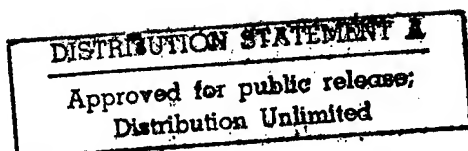
August 1997

COMMERCIAL PASSENGER VEHICLES

Safety Inspection of Commercial Buses and Vans Entering the United States From Mexico



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Resources, Community, and
Economic Development Division

B-275794

August 8, 1997

The Honorable Thomas Petri
Chairman, Subcommittee on Surface Transportation
Committee on Transportation and Infrastructure
House of Representatives

Dear Mr. Chairman:

The North American Free Trade Agreement (NAFTA), among other things, provided for the U.S.-Mexican border to be opened on January 1, 1997, to nationwide, scheduled commercial passenger bus and van service from Mexico. Prior to that date, only Mexican commercial passenger carriers engaged in tour and charter service were allowed to travel beyond U.S. commercial zones (designated areas extending several miles from the northern limits of U.S. border towns). However, increased access for commercial passenger vehicles providing scheduled service from Mexico has not yet occurred because of continuing negotiations over commercial motor vehicle safety measures to be implemented by Mexico.

In response to your concerns about whether commercial passenger vehicles entering the United States from Mexico are meeting U.S. safety standards, this report describes (1) the number and types of commercial passenger vehicles entering U.S. border states from Mexico and (2) actions taken by the U.S. Department of Transportation's Federal Highway Administration (FHWA) and U.S. border states to provide safety inspections for commercial passenger vehicles arriving at the U.S.-Mexico border.

Results in Brief

According to the U.S. Customs Service, there were about 218,000 commercial passenger vehicle crossings from Mexico to the United States (a daily average of 598 crossings) from June 1996 through May 1997 (the latest data available). About 85 percent of these crossings occurred at four crossing points: two in California and two in Texas.¹ While Customs records the number of vehicle crossings from Mexico into the United States, many of these vehicles may cross the border several times a day (e.g., airport shuttles) and each crossing is included in Customs' vehicle crossing count. Furthermore, Customs does not record the identity of individual vehicles, the type of vehicle (e.g., motor coaches or vans), or whether the vehicle is owned by either a U.S. or Mexican carrier. As a

¹Because Arizona and New Mexico receive less than 2 percent of the northbound commercial passenger vehicle traffic, information on these states is not included in this report.

result, no reliable information exists either on the actual number of Mexican-owned commercial passenger vehicles that enter the United States or on how many of each type of vehicle enters the country—information needed to assess the extent to which these vehicles are safe and are operated safely.

FHWA² and state inspectors have carried out few safety inspections of commercial passenger vehicles entering the United States from Mexico primarily because their emphasis has been on inspecting commercial trucks. FHWA inspectors in Texas and state inspectors in California conducted border safety inspections of 528 commercial passenger vehicles from January through May 1997 out of an estimated 90,000 crossings. About 22 percent of these commercial passenger vehicles were placed out of service for serious safety violations, such as steering or brake problems. FHWA inspectors in California and state inspectors in Texas had not conducted any inspections as of May 1997. The dearth of safety inspections, coupled with insufficient information on the number and kinds of Mexican-owned commercial passenger vehicles entering the United States, precludes any assessment of whether these commercial passenger vehicles are safe and are being operated safely.

Background

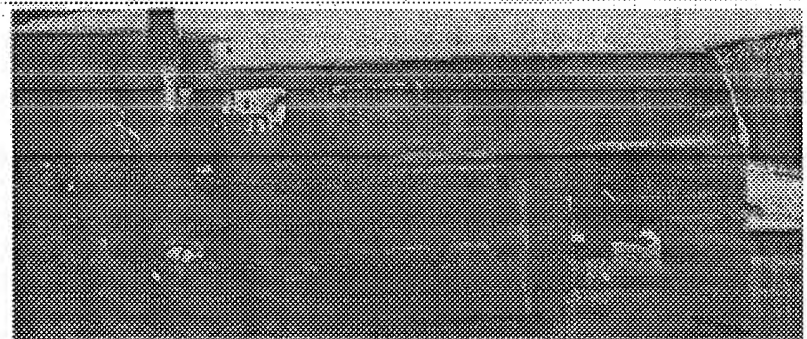
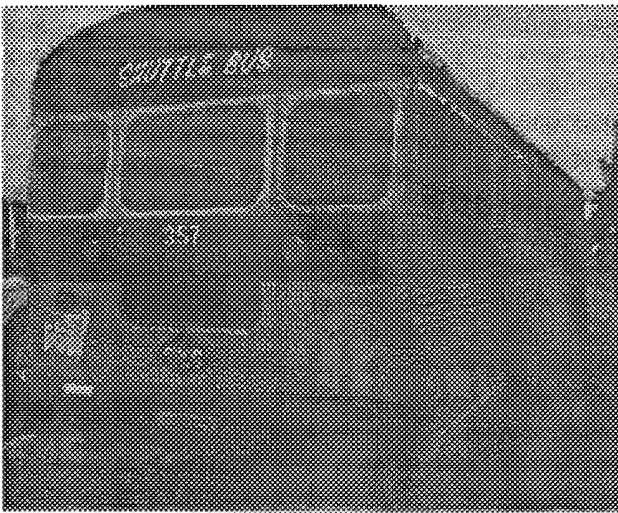
NAFTA, which was agreed to by Canada, Mexico, and the United States in 1992 and implemented in the United States through legislation in 1993, contained a timetable for the phased removal of trade barriers for goods and services among the three countries. Beginning on January 1, 1997, Mexican passenger carriers that own and operate commercial buses and vans were to have been permitted to apply for the authority to provide scheduled service between Mexico and the United States. However, this increased access has not occurred because U.S.-Mexico negotiations concerning commercial motor vehicle safety measures to be implemented by Mexico have not been completed. In contrast, the U.S.-Canada border has been open to commercial passenger vehicles for many years.

Until expanded access is granted, only commercial passenger vehicles from Mexico that are engaged in tour and charter service may travel beyond the U.S. commercial zones along the border (generally areas between 3 and 20 miles from the U.S. border towns' northern limits, depending on each town's population). As of May 1997, only seven Mexican companies had received FHWA operating authority to provide tour

²FHWA does not routinely conduct roadside inspections at fixed locations but has approved 2-year positions for several temporary safety inspectors who will inspect commercial trucks and, to a limited extent, commercial passenger vehicles entering the United States from Mexico.

and charter services beyond the commercial zones. However, these and other Mexican commercial passenger vehicles may operate to any destination within the commercial zones. Commercial passenger vehicles entering the United States from Mexico include motor coaches, minibuses, school-bus-type vehicles, and vans (see fig. 1).

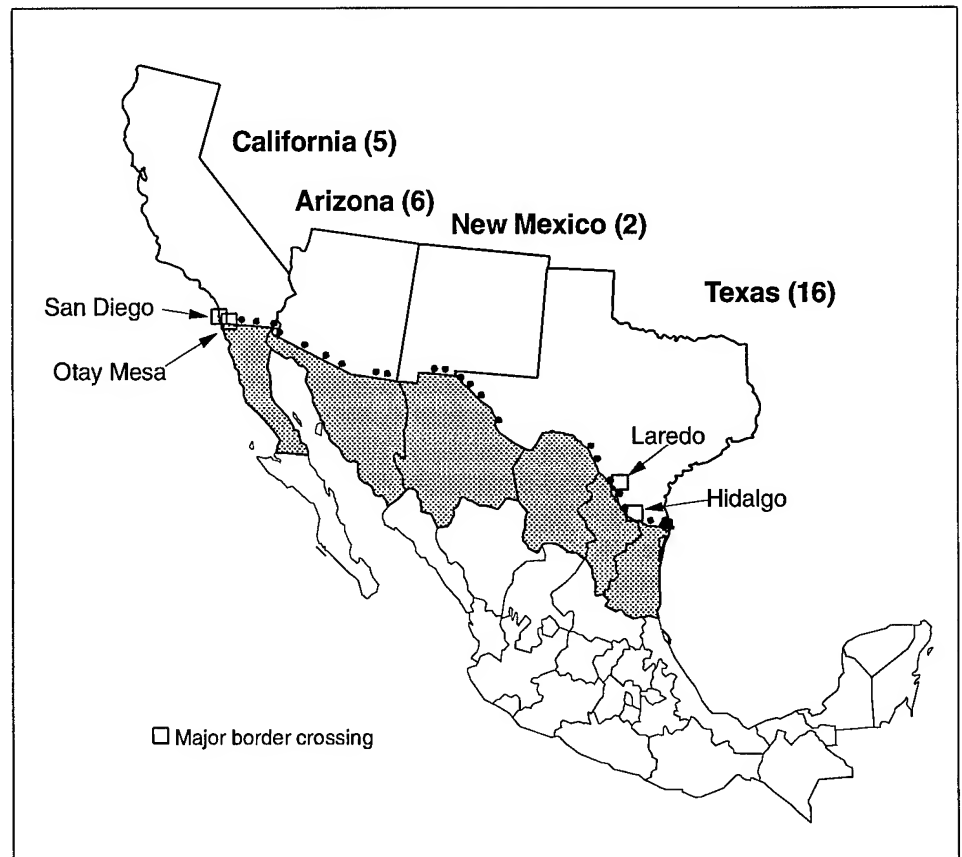
Figure 1: Types of Commercial Passenger Vehicles Providing Cross-Border Service From Mexico



Although there are 29 locations where commercial passenger vehicles from Mexico may enter the United States, about 85 percent of the

commercial passenger vehicles enter at 4 major crossings: 2 in California (San Diego³ and Otay Mesa) and 2 in Texas (Hidalgo and Laredo). (See fig. 2.)

Figure 2: Locations and Numbers of Commercial Passenger Vehicle Crossing Points



Source: Based on information from the U.S. Customs Service.

Commercial passenger vehicles enter the United States through the U.S. Customs Service's passenger vehicle ports of entry, which are physically separate from the crossings that commercial trucks use to enter the United States. Customs usually has one lane of passenger vehicle traffic dedicated to commercial passenger vehicles, which facilitates the processing of passengers through both the Customs and Immigration and Naturalization Service inspection points.

³The San Diego crossing is also known as San Ysidro.

To encourage safer commercial motor vehicle operation in the United States and to help achieve uniformity in commercial motor vehicle standards throughout the nation, FHWA has issued regulations on vehicle safety standards (e.g., tires, lights, brakes) and financial and operating standards (e.g., registration, insurance, commercial driver's license, and hours of service requirements). FHWA's safety regulations on commercial motor vehicles apply to, among other things, all vehicles designed to transport more than 15 passengers, including the driver, that operate within the United States.⁴ For the most part, the states have adopted the federal standards. FHWA maintains a presence in all states to promote commercial vehicle safety and ensures that state laws and regulations are compatible with federal commercial vehicle safety regulations. FHWA also provides policy direction and supports state-developed enforcement strategies through a motor carrier safety grant program.

Although each commercial vehicle involved in interstate commerce on U.S. roads must meet all federal vehicle, operator, and financial standards, Canada, Mexico, and the United States have adopted roadside inspection procedures that focus on the most critical safety items. These inspection procedures, developed by the Commercial Vehicle Safety Alliance (CVSA),⁵ focus on those standards that, if not met, would lead to a commercial vehicle being placed out of service for serious safety violations.⁶ FHWA and state safety inspectors use these procedures when inspecting commercial passenger vehicles entering the United States from Mexico. Commercial passenger vehicles that are placed out of service are halted until needed repairs are made. Safety inspectors who are qualified to conduct inspections of commercial trucks are also qualified to inspect commercial passenger vehicles.

There are two CVSA procedures that have been used to inspect commercial passenger vehicles entering the United States from Mexico: level-1 and level-2 inspections. The level-1 inspection is the most rigorous—a full inspection of both the driver and the vehicle. The driver inspection includes ensuring that the driver has a valid commercial driver's license, is medically qualified, and has an updated log showing the driver's hours of

⁴Commercial passenger vehicles designed to transport 15 or fewer passengers are not subject to FHWA vehicle safety standards; however, they generally still must meet FHWA financial and operating standards.

⁵CVSA is a not-for-profit association of state, provincial, and federal officials formed to improve commercial vehicle safety. CVSA pursues this goal, in part, through working with state, federal, and provincial governments to achieve uniformity, compatibility, and reciprocity among regulatory and enforcement agencies.

⁶Financial and other penalties may be imposed for other violations of federal requirements.

service. The vehicle inspection includes a visual inspection and an extensive undercarriage inspection that covers the brakes, frame, and suspension. The level-2 inspection is similar to the level-1 inspection, except that it does not include an extensive undercarriage inspection.

Limited Information Exists on Commercial Passenger Vehicles Entering the United States From Mexico

Customs data show that, from June 1996 through May 1997 (the latest data available), there were an average of about 598 northbound commercial passenger vehicle crossings each day along the U.S.-Mexico border (see table 1). However, counting practices vary somewhat among the ports of entry and, as a result, the traffic levels reported by Customs are understated by an unknown amount. At the San Diego and Otay Mesa, California, crossings, all commercial passenger vehicles, regardless of the vehicle capacity, are funneled through a single lane for commercial passenger vehicles. However, in Texas, Customs agents require commercial vans to use the lanes provided for private passenger vehicles. They told us that they do not always attempt to determine whether the vans are commercial or private passenger vans, which results in some commercial vans being counted as private passenger vehicles.

Table 1: Northbound Commercial Passenger Vehicle Crossings at the Four Busiest Border Crossing Locations, From June 1996 Through May 1997

Border location	Number of crossings	Percentage of total crossings	Daily average
San Diego, Calif.	99,782	46	273
Otay Mesa, Calif.	19,646	9	54
Hidalgo, Tex.	40,338	18	111
Laredo, Tex.	24,782	11	68
Subtotal	184,548	85	506
All others	33,845	15	93
Total	218,393	100	598

Note: As described in the text, the number of crossings may be understated somewhat. Columns may not add to totals because of rounding.

Source: Based on U.S. Customs Service data.

Customs officials in Texas told us that the traffic counts are used primarily to determine the level of staffing that is needed at each crossing point. They also told us that they permit commercial passenger vans to enter the United States through private passenger lanes because, given their smaller size, the vans do not require as much inspection as motor coaches do. Also, according to a Customs official, it is difficult for Customs agents to

identify whether some vans are carrying paying passengers or private passengers.

While Customs records the number of crossings, it does not keep records on the number or type of individual commercial passenger vehicles that cross the border.⁷ Customs, FHWA, and state officials told us that they believe that most of the northbound cross-border commercial passenger traffic is of a repeat nature, such as airport and shopping center shuttle services. Thus, while Customs' records show an average of 598 crossings daily, the number of individual commercial vehicles is smaller, but, again, to an unknown degree.

In California, federal and state officials told us that most traffic at the San Diego crossing consists of motor coaches and school-bus-type vehicles providing shuttle service to destinations such as bus terminals, grocery stores, and parking lots just inside the U.S. border. Federal officials stated that few commercial vans enter the country at the San Diego crossing. Rather, most vans, such as those providing shuttle service to the San Diego airport, enter at the Otay Mesa crossing. Officials told us that some commercial passenger vehicles at both crossings may enter the United States up to 10 times a day.

In Texas, federal officials told us that most of the Laredo cross-border traffic consists of U.S.-based carriers providing scheduled service to Dallas and Houston. A Customs official in Laredo estimated that while only 4 or 5 commercial passenger vans cross the border on weekdays, approximately 50 or 60 vans cross the border during the weekend. According to one Customs official, most commercial passenger vehicles at the Hidalgo, Texas, crossing are motor coaches; an estimated 90 percent of these vehicles travel to destinations within the commercial zone to the nearby border city of McAllen.

⁷According to U.S. Customs officials, the U.S. Customs Service is not required by statute or regulation to count vehicles that enter the United States from Mexico.

FHWA and States Have Conducted Few Safety Inspections, Citing Higher Priorities

Relatively few safety inspections of commercial passenger vehicles have taken place in the past year.⁸ FHWA inspectors in Texas and state inspectors in California conducted border safety inspections of 528 commercial passenger vehicles from January through May 1997 out of an estimated 90,000 border crossings during that period. (Because many commercial passenger vehicles may enter the United States several times a day, inspectors would not typically inspect the same vehicle each time it crossed the border.) About 22 percent of the vehicles inspected were placed out of service. Some of these were vehicles owned and operated by U.S. carriers. In comparison, the out-of-service rate for the 10,000 U.S. commercial passenger vehicles inspected on the nation's roads from October 1996 through June 1997 was about 10 percent. FHWA inspectors in California and state inspectors in Texas had not conducted any inspections as of May 1997. The dearth of safety inspections, coupled with insufficient information on the number and kinds of Mexican commercial passenger vehicles entering the United States, precludes any assessment of whether these commercial passenger vehicles are safe and are being operated safely.⁹

FHWA and state officials told us that because many more commercial trucks enter the United States from Mexico than do commercial passenger vehicles, they spend most of their time inspecting commercial trucks. About 12,000 commercial truck crossings occur along the border each day compared with about 598 commercial passenger vehicle crossings (a 20-to-1 ratio). Moreover, about 45 percent of the 25,000 trucks inspected upon entering the United States from Mexico were placed out of service for serious safety violations in calendar year 1996.¹⁰

Safety Inspections in California

FHWA is not conducting safety inspections of commercial passenger vehicles entering California from Mexico. According to an FHWA official in California, the two federal inspectors assigned to the California border are focusing all of their inspection efforts on the commercial trucks entering

⁸These inspections cover the most critical safety standards; they do not include manufacturing vehicle safety standards and other safety standards, such as those governing seat flammability, that are under the jurisdiction of the Department of Transportation's National Highway Traffic Safety Administration.

⁹In May 1997, FHWA completed a study of the Mexican safety and regulatory processes that govern the Mexican scheduled service bus industry entitled *Mexican Regular Route Bus Industry Study*. Among other things, the study provides a broad description of the industry, safety and regulatory requirements and processes, and Mexican government oversight of the industry. It does not provide information on the safety fitness of buses operated in Mexico or address the extent to which Mexican safety regulations are enforced.

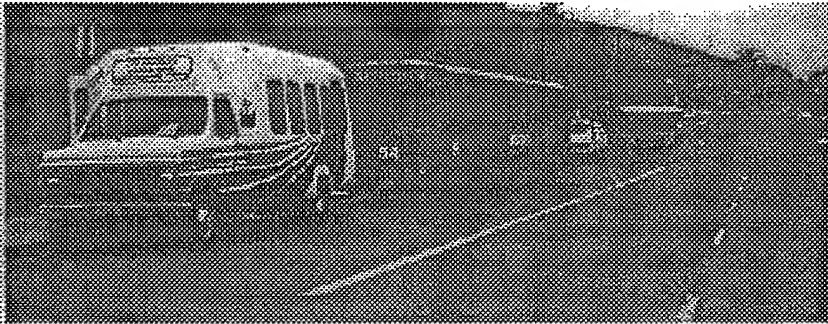
¹⁰*Commercial Trucking: Safety Concerns About Mexican Trucks Remain Even as Inspection Activity Increases* (GAO/RCED-97-68, Apr. 9, 1997).

the United States from Mexico because (1) these trucks continue to display serious violations of insurance and operating authority requirements and (2) congestion at the border crossings does not allow adequate space for vehicle inspections to be conducted.¹¹

California state safety inspections of commercial passenger vehicles entering the United States from Mexico have been limited to two 1-day strike force efforts (see fig. 3). In total, the California Highway Patrol conducted level-1 inspections of 144 vehicles and placed 37 (26 percent) vehicles out of service for serious safety violations, such as steering or brake problems.

¹¹Inspection of commercial passenger vehicles requires adequate space and distance from traffic to provide for the inspectors' and passengers' safety. In addition, sufficient space is needed to park out-of-service vehicles until they can be repaired or towed. Finally, passengers must be provided access to shelter, water, and relief stations.

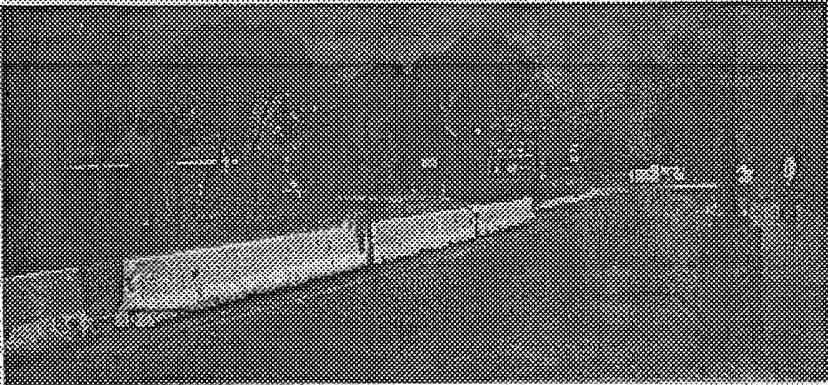
Figure 3: Commercial Passenger Vehicle Inspection Activities in California



As part of its April 1997 strike force activity, California Highway Patrol officials conducted roadside inspections about a mile from the San Diego border crossing.



California Highway Patrol inspectors at the San Diego crossing conduct a level-1 inspection. The bus was placed on portable ramps to facilitate an undercarriage inspection.



This narrow traffic lane, used by commercial motor vehicles while passengers clear Customs and Immigration and Naturalization, and a smaller adjacent area represent the only space that might be used to inspect commercial passenger vehicles at the San Diego crossing. About 48 percent of the northbound commercial passenger vehicle crossings entering the United States from Mexico occur at this location.



At Otay Mesa, a state inspector points to a cracked wheel rim that led this bus to be placed out of service. We also observed vehicles that passed level-1 inspections at the San Diego crossing.

During the first strike force effort on April 20, 1997, safety inspectors inspected vehicles near the passenger vehicle border crossings at San Diego and Otay Mesa. At the San Diego crossing, state officials directed commercial passenger vehicles to stop at a curbside about 1 mile from the border crossing for inspection because space was insufficient to conduct vehicle inspections at the Customs border crossing (see fig. 3). For vehicles crossing at Otay Mesa, state officials diverted commercial passenger vehicle traffic from the passenger crossing to the state truck

inspection facility about 1 mile away. The second strike force took place at two federal Immigration and Naturalization Service border patrol posts just north of San Diego on April 26, 1997. A California Highway Patrol official stated that future border inspections of commercial passenger vehicles will depend on funding increases because current staffing levels are not sufficient for increased inspection activity.

Safety Inspections in Texas

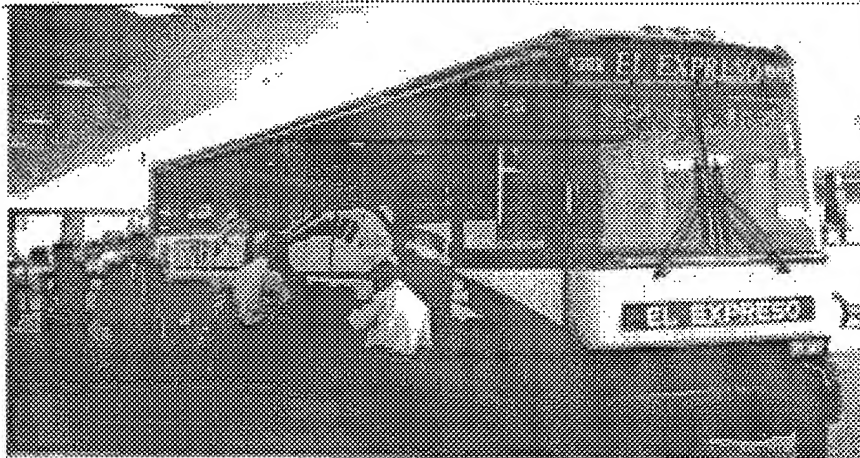
FHWA inspectors primarily conducted level-2 safety inspections of commercial passenger vehicles in Texas from January through May 1997 (see fig. 4). They also have conducted several strike forces. In total, FHWA inspectors inspected 384 commercial passenger vehicles and placed 80 (21 percent) of them out-of-service for serious safety violations. The eight FHWA safety inspectors assigned to the Texas border are responsible for inspecting both commercial trucks and commercial passenger vehicles that enter the United States from Mexico. They have devoted about one-eighth of their time to commercial passenger vehicle inspections.¹²

¹²In fiscal year 1996, there were about 2 million commercial truck crossings into Texas. During this same period, there were about 92,000 commercial passenger vehicle crossings, according to Customs.

Figure 4: Commercial Passenger Vehicle Inspection Activities in Texas



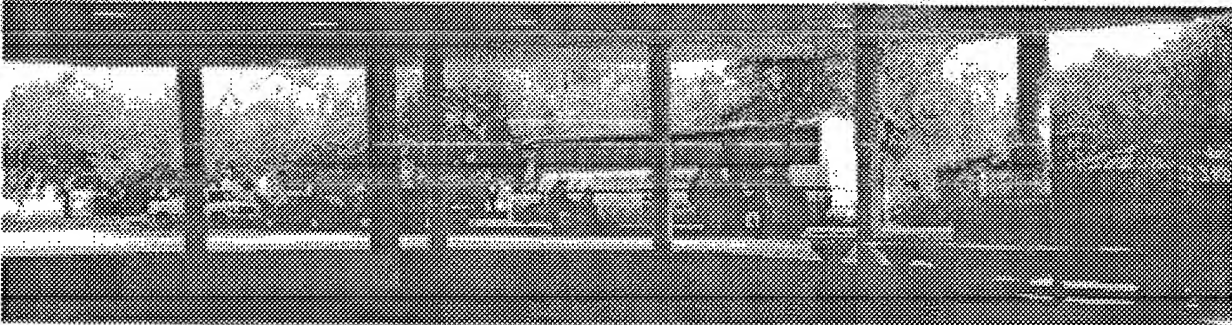
As commercial passenger vehicles pass through the Laredo border entry point, they stop under canopies on the Customs lot and passengers disembark.



As passengers disembark in Laredo, they and their baggage are inspected by Customs and Immigration and Naturalization officials.



An FHWA inspector discusses inspection results with a vehicle operator at the Pedernales crossing.



At Laredo, FHWA inspectors place vehicles with out-of-service violations along the curb. The drivers are allowed to contact a company representative to have the vehicles repaired or replaced.

Over a 2-week period in February 1997 at the Hidalgo and Pharr crossings, the first FHWA strike force conducted level-2 safety inspections of 132 vehicles arriving from Mexico. Twenty-eight (21 percent) of these vehicles were placed out of service for serious safety violations, such as inoperative brakes or air suspension problems. Of these 28 vehicles, 24 were owned and operated by U.S. carriers, 17 of them by a single U.S. company.

FHWA conducted two other strike forces in Laredo, one to identify commercial passenger van traffic patterns and another to address U.S. carrier complaints about alleged illegal van operators. The strike forces conducted document checks (e.g., proof of vehicle registration, operator's license, and insurance) of vans entering the United States. A 3-day effort beginning on Good Friday and ending Easter Sunday, a holiday weekend that FHWA officials believed would see an increase in cross-border van activity, proved uneventful. Traffic was extremely light, and FHWA inspectors found only two violations. During a 3-week strike force in April and May 1997, FHWA inspectors cited 11 van operators with 22 violations for lack of proof of insurance or registration. All of the vans cited were owned and operated by U.S. carriers. FHWA investigators discovered that these vehicles were operating without proper insurance coverage or Department of Transportation operating authority. FHWA assessed these van operators a total of \$32,000 in penalties for these violations. As a result of these findings, FHWA has directed its inspectors at the border crossings to increase their focus on both domestic and Mexican vans, as opposed to larger commercial passenger vehicles, when conducting their commercial passenger vehicle inspections.

Texas safety inspectors are not inspecting commercial passenger vehicles arriving from Mexico because (1) their priority is to inspect commercial trucks entering the United States from Mexico, (2) FHWA is currently inspecting commercial passenger vehicles at the border, and (3) they need a budget for these activities from the state legislature and inspection locations that provide for passenger safety while inspections are taking place.

FHWA's Investigation and Education Activities

FHWA also investigates foreign and domestic commercial passenger carriers for violations of federal regulations, such as operating authority requirements, in response to complaints filed by U.S. carriers. In Texas, FHWA officials are addressing five commercial passenger carriers alleged to be Mexican carriers operating beyond U.S. commercial zones without

federal operating authority. According to the FHWA official responsible for following up on these allegations, FHWA has determined that all of these companies are U.S. companies. An FHWA official in California told us that no complaints about alleged illegal Mexican carriers have been filed with the agency in that state.

FHWA has provided Mexican officials with guidance on operating and safety requirements for commercial passenger vehicles. For example, an FHWA official in Arizona told us that on several occasions he spoke to the Mexican Consulate in Nogales in response to requests for information on the requirements and regulations applicable to a tour and charter operator that wanted to transport a group to Disneyland. The FHWA official told us he sent the Consulate a package of information on obtaining proper operating authority, applicable safety regulations, and other requirements. In Texas, an FHWA official prepared a bilingual packet of information containing operating and safety requirements for Mexican commercial vehicles and presented it to Mexican officials from the state of Tamaulipas.

Agency Comments and Our Evaluation

We provided the Department of Transportation with a draft of this report for review and comment. We met with officials including the national motor coach program coordinator in FHWA's Office of Motor Carriers, the special assistant to the associate administrator in the Office of Motor Carriers, and a senior analyst in the Office of the Secretary. DOT generally agreed with the contents of the draft report. DOT also offered several technical and clarifying comments, which we incorporated where appropriate.

Scope and Methodology

To achieve our first objective, we obtained the U.S. Customs Service's commercial passenger vehicle traffic data for the period from June 1996 through May 1997. We also visited seven border crossings, where almost 90 percent of the commercial passenger vehicles from Mexico enter the United States. We discussed the nature of cross-border commercial passenger vehicle traffic with Customs, Immigration and Naturalization Service, Department of Transportation, and state commercial vehicle enforcement officials in Arizona, California, New Mexico, and Texas. We also discussed cross-border traffic with university researchers.

To achieve our second objective, we discussed inspection practices with Department of Transportation officials and state enforcement officials in

Arizona, California, New Mexico, and Texas. We observed federal commercial passenger vehicle inspection activity in Texas and state commercial passenger vehicle inspection activity in California. We obtained commercial passenger vehicle inspection reports from Department of Transportation and California Highway Patrol officials. We also met with the Texas Bus Association, the American Bus Association, and several U.S. bus company officials to discuss cross-border safety issues involving commercial passenger vehicles.

With the exception of not verifying Customs' cross-border crossing data and inspection results reported by FHWA and California, we performed this work in accordance with generally accepted government auditing standards. We performed our work from January 1997 through July 1997.

We are sending copies of this report to congressional committees with responsibilities for transportation issues; the Secretaries of Transportation and the Treasury; the Administrator, FHWA; the Director, Office of Management and Budget; and the Commissioner, U.S. Customs Service. We will also make copies available to others.

If you or your staff have any questions about this report, please contact me at (202) 512-3650. Major contributors to this report were Marion Chastain, Paul Lacey, James Ratzenberger, Deena Richart, and Angel Sharma.

Sincerely yours,

A handwritten signature in cursive script that reads "Phyllis F. Scheinberg". The signature is written in dark ink and is positioned above the printed name and title.

Phyllis F. Scheinberg
Associate Director, Transportation Issues